EXHIBIT A – PART 1

MAY 2, 2005

DUFF & PHELPS, LLC /

SASCO HILL ADVISORS, INC.

Inacom Corp.

Valuation Analysis

Table of Contents

I. *Executive Summary*

Engagement Overview

- Duff & Phelps, LLC and Sasco Hill Advisors, Inc. have been retained (a) by certain defendants in a preference avoidance litigation (the "Parties") brought by Inacom Corp. ("Inacom" or the "Company") which litigation seeks the return of certain payments (the "Payments") made to the Parties during March and April of 2000 and (b) to:

  (i) provide a business valuation of Inacom as of a date (the "Valuation Date") subsequent to the last date on which the payments were made by Inacom to the Parties;

  (ii) provide a fair valuation of the assets and liabilities of Inacom as of the Valuation Date, with a view to determining whether the value of Inacom's assets exceeded its liabilities as of the Valuation Date;

  (iii) determine whether the value of Inacom's assets exceeded its liabilities as of March 25, 2000; and

  (iv) determine whether the value of Inacom's assets exceeded its liabilities throughout the period from March 18, 2000 through and including the "Valuation Date" (the "Period Reviewed").

- We use the April 22, 2000 balance sheet of Inacom, which date has been chosen as the Valuation Date. The circumstances surrounding Inacom as of April 17, 2000 provide the bases for our analysis except that we have included all assets and liabilities as set forth on the April 22, 2000 balance sheet or reasonably estimable on April 22, 2000, and we have based our market analyses on information available as of April 22, 2000. Developments with respect to Inacom otherwise not known or reasonably foreseeable at April 17, 2000 (other than the income statement for the four-week period ending April 22, 2000 and certain issues related thereto) are not incorporated into this analysis.

- Previously, Duff & Phelps, LLC and Sasco Hill Advisors, Inc. were retained by the Parties, as consulting experts, to assist with their analyses regarding the strength of their solvency defense in the above referenced preference litigation.

I. *Executive Summary*

Summary Conclusions

- ❖ It is our opinion that the aggregate equity value of Inacom Corp. on April 22, 2000 was approximately $250 million.

Inacom Corp. Aggregate Equity Value as of April 22, 2000 ($ in thousands)	Low	[illegible]	High
Enterprise Value Conclusion	$520,000	$570,000	$620,000
Plus: Excess Cash	-	-	-
Plus: Non-operating Assets[1]	$120,000	$120,000	$120,000
Less: Outstanding Debt[2]	(440,046)	(440,046)	(440,046)
Aggregate Equity Value on a Marketable, Controlling Basis	199,954	249,954	299,954

[1]Non-operating assets as of April 22, 2000 include value of receivables related to business sold to Compaq.

[2]Outstanding debt as of April 22, 2000 includes: bank debt: $110 million; convertible debt: $195 million; adjustments to convertible debt: $16 million; overpayment received: $42 million; and, misdirected payments: $77 million.

I. Executive Summary

Summary Conclusions (continued)

- Based upon our valuation of the aggregate equity of Inacom on April 22, 2000 and the following, it is our opinion that the value of Inacom's assets exceeded its liabilities as of March 25, 2000:
  - As of March 25, 2000, Inacom's Current Assets of $553.1 million were $140.4 million higher than its Current Assets of $412.7 million as of April 22, 2000 and there was no material change in the long term assets of the Company during the period.
  - As of March 25, 2000, Inacom's Total Liabilities of $923.9 million were $135.5 million higher than its Total Liabilities (as adjusted) of $788.4 million as of April 22, 2000.
  - The stock prices of the companies reviewed in our comparable company analysis generally declined from March 25, 2000 to April 22, 2000 which decline effected a lower enterprise value for such companies as of April 22, 2000 as compared to the earlier date. This would suggest a higher comparable company valuation, assuming no other material changes, as of March 25, 2000.
  - The transaction analysis provided herein would be applicable to both dates.
- Based upon our valuation of the aggregate equity of Inacom on April 22, 2000, the foregoing opinion related to March 25, 2000, and the fact that nothing has come to our attention during the course of our review of materials related to the Period Reviewed that would lead us to a contrary view, it is our opinion that the value of Inacom's assets exceeded its liabilities throughout the Period Reviewed. It should be noted, however, that we have not been able to review any balance sheets or other financial statements for Inacom for any date or period during the Period Reviewed other than those for March 25, 2000 and April 22, 2000.

II. Business and Financial Overview

Business Overview of Inacom Corp.

- Established as a division of Valmont Industries, Inc. in 1982.
  - Completed an IPO in 1987 and changed its name to Inacom Corp. in 1991.
  - Inacom provided solutions to improve the productivity of its clients' information systems.

- Key elements of the Company's strategy were:
  - Leverage client relationships to continue expanding higher-margin services revenues.
  - Capitalize on client trends of outsourcing services.
  - Expand offerings and geographic coverage through strategic services.
  - Capitalize on the convergence of data and voice communication.

- The Company maintained its principal executive and administrative offices in Omaha, Nebraska.

Source: Inacom Corp. December 26, 1998 10-K

II. Business and Financial Overview

Product Overview

- **Integrated Life Cycle Services** – helped clients optimize their information technology:
  - Technology Planning – involved assisting clients in designing and developing standardized technology platforms.
  - Technology Procurement – involved coordinating the technology purchase process, requisitioning technology products, processing, tracking and reporting on the status of orders, customizing hardware and software configurations, providing direct deployment to clients' desktops, and tracking shipments.
  - Technology Integration – provided services to assist clients in obtaining technology that achieves the clients' business goals.
  - Technology Support – provided ongoing support for distributed technology systems.
  - Technology Management – assessed the current state and future needs of clients' distributed technology network to maximize the value of each client's investment in its networked systems.

- **Technology Products**:
  - Desktops, laptops, servers, monitors, printers, operating systems software, phone systems, voice mail processing, data network equipment, multiple small office and home office offerings and maintenance.

Source: Inacom Corp. December 26, 1998 10-K

II. Business and Financial Overview

Sale of Distribution Business to Compaq

- On February 15, 2000, Inacom completed the sale of certain assets of its product customization and logistics operations to Compaq Computer Corporation for $369.5 million in cash, subject to certain pre-closing adjustments.
- In connection with the sale, Compaq entered into multi-year contracts with Inacom, including:
  - Three-year, $420 million – 2000: $85 million; 2001: $140 million; 2002: $195 million – Sales, Service and Supply Agreement through December 2002 (approximately 14% of projected sales through 2002).
  - $55 million Subordinated Secured Revolving Credit maturing September 30, 2001, with EBITDA Covenant levels.
  - Separation and Sharing Agreement concerning technology infrastructure and administrative services, personnel, and assets over periods up to one year from closing.
- Post-transaction, Inacom intended to become a provider of IT services, with hardware and software product offerings accounting for an extremely small portion of revenues.

Source: Documents 00160 and 00161 (from Inacom 8-K dated March 2, 2000) and document 00753 (Services Supply and Sales Agreement dates as of February 2000 between Compaq Computer Corporation and Inacom)

II. Business and Financial Overview

INACOM CORP.
Historical Revenues (in millions) & Margins

	Fiscal Year Ended December 31,				
	1996	1997	1998	1999	3-yr CAGR*
Product Revenues	$4,810	$5,994	$6,019	$5,086	2%
Service Revenues	507	742	869	816	17%
Total Revenues	5,317	6,736	6,888	5,902	4%
Product Gross Margin	7.5%	7.3%	6.7%	4.3%	6%
Service Gross Margin	**40.4%**	**42.0%**	**39.5%**	**31.4%**	**38%**
Total Gross Margin	10.6%	11.2%	10.8%	8.0%	10%

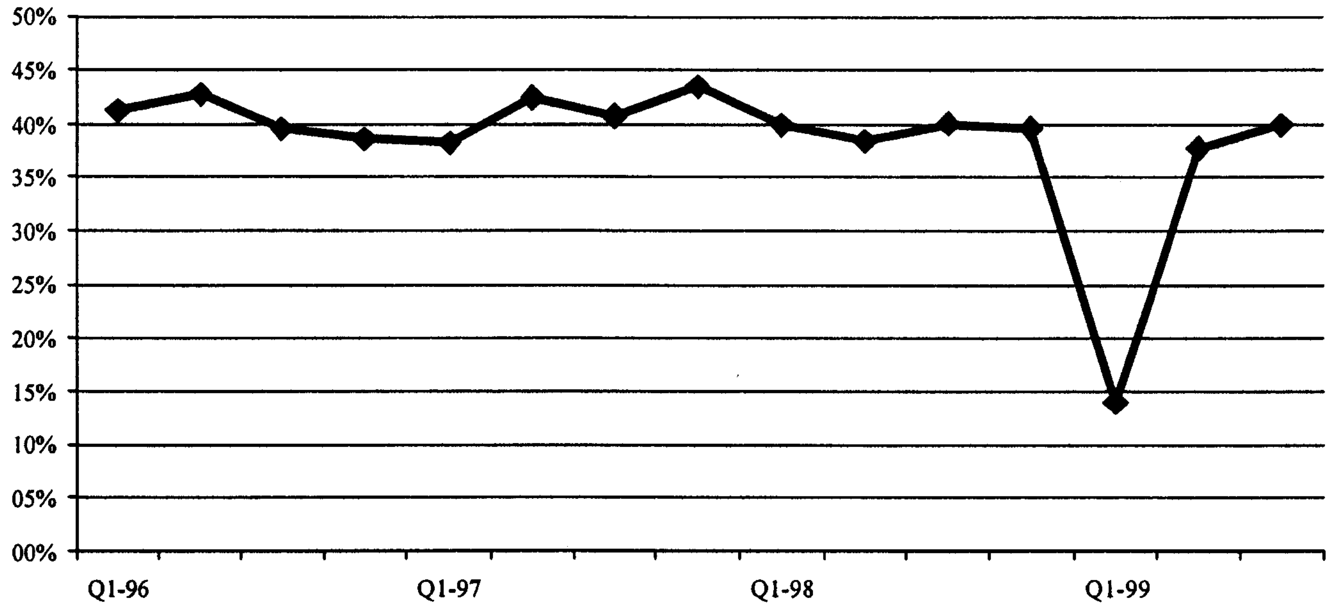
* Gross Margins show three year averages
Source: "Inacom Corp. and Subsidiaries – Condensed and Consolidated Statements of Operations – RESTATED," documents: ICN 00870, 00871, ICN 05390, ICN 05391

❖ Analysis of Revenues

- Prior to the sale to Compaq, 90% of Inacom's revenues were derived from products.
- During the historical period studied, service revenues grew faster than product revenues, reflecting the divergence of the two markets.
- As shown, Inacom's service gross margins far exceeded its product gross margins, which was normal for the Information Technology (IT) industry.

II. Business and Financial Overview

Historical Service Business Gross Margins



Source: "Inacom Corp. and Subsidiaries – Condensed and Consolidated Statements of Operations – RESTATED," documents: ICN 00870, 00871, ICN 05390. ICN 05391

❖ Analysis of quarterly service gross margins

- As shown, service gross margins historically averaged approximately 40%.

II. Business and Financial Overview

INACOM CORP.
Historical Profitability (in millions)

	Fiscal Year Ended December 31, 1996	1997	1998	1999	3-yr Average
EBITDA	$ 158	$ 239	$ 176	$ (188)	
EBITDA Margin	*2.6%*	*3.3%*	*2.1%*	*-7.8%*	*0.1%*
EBIT	$ 119	$ 180	$ 98	$ (270)	
EBIT Margin	*2.2%*	*2.8%*	*1.4%*	*-7.8%*	*-0.3%*

Source: "Inacom Corp. and Subsidiaries – Condensed and Consolidated Statements of Operations – RESTATED," documents: ICN 00870, 00871, ICN 05390, ICN 05391
Depreciation amount used for EBITDA calculation obtained from HL Document: 1251, pp. 111+.

❖ Margin Analysis

- The table above includes historical data on Inacom's business, which includes both products and services. The company did not report EBITDA margins by business line (products and services).
- EBITDA margins averaged 2.7% prior to 1999.
- The Company's divestiture of its low margin products business was intended to (1) increase EBITDA margins to 9.0+% and (2) capture increased growth in service revenues per year of approximately 8% to 10%.

III. Industry Overview

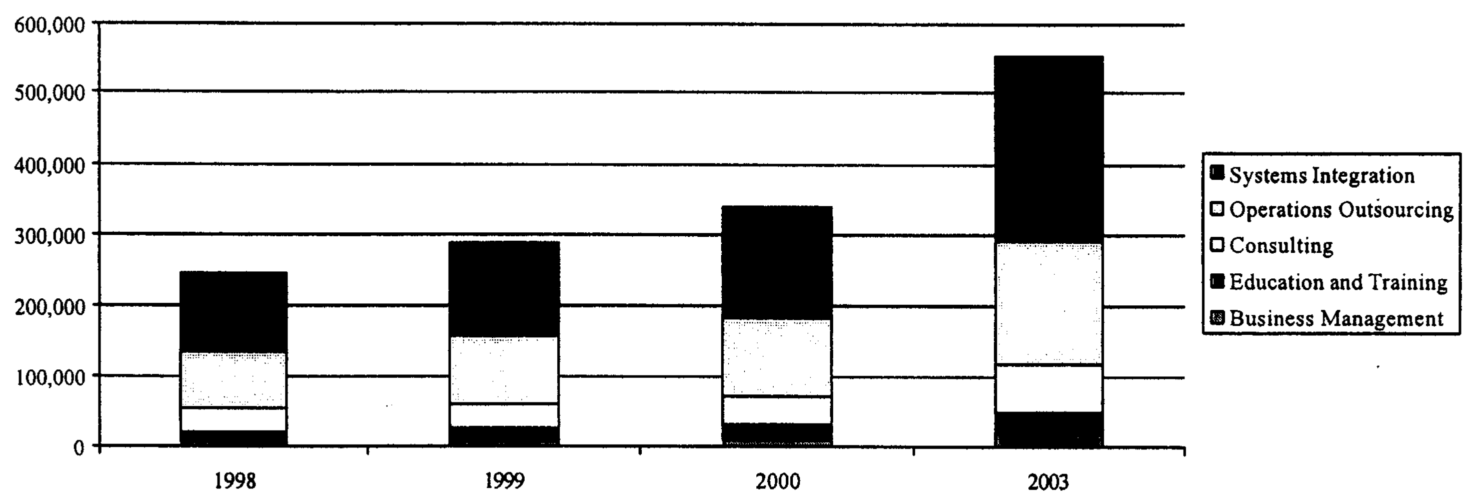
Increased IT Consulting Spending

- Companies in most industries were shifting their focus towards the Internet in the period studied. With the Internet changing the way business was conducted, companies were increasingly turning to Information Technology services to gain a competitive advantage or simply to keep up with the competition.

  - According to Dataquest, worldwide spending on Information Technology totaled $246.7 billion in 1998 and rose 17% to $288.8 billion in 1999.

  - Growth was projected to continue at an annual pace of approximately 18% from 1999's projections of $288.8 billion, reaching $553.5 billion by 2003.

Information Technology Spending Worldwide
(millions of dollars)



Source: Dataquest

III. Industry Overview

Y2K

- For several years prior to 2000, experts in the computer industry were largely preoccupied with addressing the Year 2000 (Y2K) problem.
  - The Y2K issue was a software problem: some computers read the year 2000 as 1900 because their interior software recognized only the last two digits of the year.
  - Most firms did not have the resources to address this problem and hired outside consultants and technicians to fix the problem.
- Gartner Group, a well-respected IT consulting firm, estimated that worldwide repair bills were in the $300 billion to $600 billion range. This figure only included repair costs. Software Productivity Research estimated total costs, including repair, damage, and litigation costs, to exceed $3.6 trillion between 1994 and 2005.
  - The biggest risk for computer services companies at the time came from Y2K related lawsuits.
  - Lloyd's of London estimated that such lawsuits would total more than $1 trillion in the United States alone.

III. Industry Overview

IT Industry Trends

- **Back Office Automation –** Enterprise Resource Planning (ERP) refers to the high-end enterprise software applications that automate back-office business processes to help manage a corporation's day-to-day operations. The ERP software market and the ERP related service market, which help purchasers of ERP software with integration and training, were large and growing rapidly.

- **Front Office Focus** – This market included software that automates sales, marketing, call center, field service operations, and supply chain management. Again, the IT industry had capitalized on the service industry associated with this software.

- **Sophisticated Software** – Advancement in technology had brought with it more high-tech software that was sometimes too complicated for a normal business and employees to use. IT firms helped users to determine which software was best to use for their specific needs and trained them to use the software.

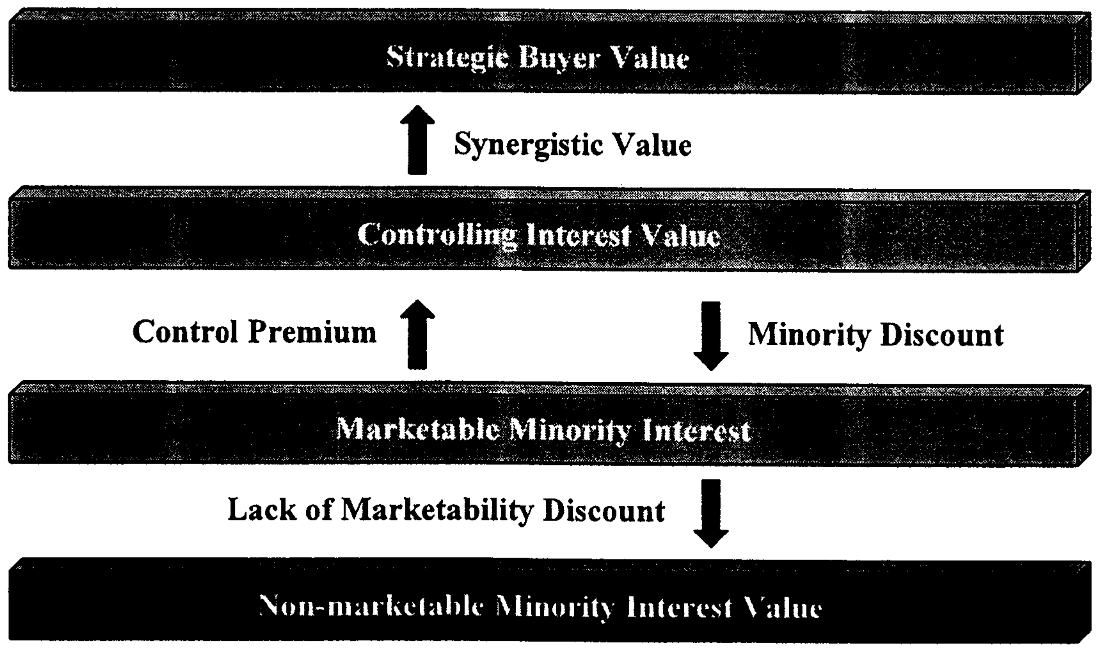
- **Systems Integration –** An increasing number of hardware and software firms were offering assistance in integrating their products with the client's network. This allowed these firms to gain a revenue stream over the life of their product, instead of only at the initial sale. As technology became more advanced, end users' reliance upon integration services continued to increase and the software and hardware providers capitalized on this trend.

Source: Standard & Poor's, "Industry Survey – Computers: Commercial Services, December 16, 1999"

IV. Valuation Analysis

Valuation Standard

- We have defined fair market value as the price at which an asset would change hands between a willing buyer and a willing seller where the former is under no compulsion to buy and the latter is under no compulsion to sell, and both parties are able as well as willing to trade and are well informed about the asset and the market for such asset and, given the nature of the asset, a reasonable amount of time in which to effect such transaction.
- The fair market value of a specific security may be different depending on the investor group and the circumstances for which the fair market value is to be determined. The differences in the levels of value primarily reflect differences in the relative control rights and liquidity of the investment being valued. The following are typical levels of value.



IV. Valuation Analysis

Valuation Standard (continued)

- We have determined that as of the Valuation Date, Inacom was a going concern.
- A going concern control value reflects the economic value of owning control of a company. A strategic buyer will likely pay the highest value for a company because it may receive the benefit of financial and operational synergies such as increasing revenues, cross-selling opportunities, and leverage of overhead expenses. Premiums paid for companies due to such perceived benefits depend on the specifics of each potential buyer.
- A marketable minority interest value reflects the economic value of a marketable minority interest block of stock ("as publicly traded value").
- A non-marketable minority interest value reflects the application of discount for lack of marketability associated with owning a minority interest block of stock in an illiquid security or a private company without put rights.
- We have determined the fair market value of the aggregate equity on a controlling, marketable interest basis.
- For purposes of our analysis, we have assumed a change of control, and attributed no value to the Company's significant tax attributes, including Net Operating Loss Carry forwards ("NOLs"). Accordingly, the valuation excludes the related additional value.

IV. Valuation Analysis

Valuation Considerations

- There are many factors that must be considered in the estimation of fair market value. These include:
  - The size and growth potential of the markets for the company's products or services;
  - The breadth of products or services offered, as well as the diversity and stability of the company's earnings base;
  - The cost and availability of equipment, labor, and other factors critical to the operation of the business;
  - The effect of government regulation on firm revenues, net income, and expenditure plans;
  - The quality and depth of management, including management's ability to maintain or improve the company's competitive position;
  - The quality and efficiency of facilities;
  - The firm's financial condition and ability to handle ongoing capital requirements;
  - The dividend-paying ability of the company; and
  - The overall condition of the economy, the industry, and the securities markets, including the general regard investors hold for the company's industry as an investment medium.
- In summary, estimation of fair market value is a matter of judgment, giving consideration to all relevant qualitative and quantitative factors. In the final analysis, all these factors relate to the company's underlying earnings and cash flow. Investors will discount or capitalize such earnings and cash flow at a rate that reflects the degree of risk or uncertainty in comparison with alternative investment opportunities.

IV. Valuation Analysis

Primary Valuation Methodologies

- We performed several generally accepted financial, analytic, and comparative analyses, the results of which were considered as a whole. These analyses included:
- Discounted Cash Flow ("DCF") Analysis
  - Forecast reasonable estimates of revenues, earnings, working capital requirements, and capital expenditure needs.
  - Determine free cash flows ("FCFs") – cash available to invest in the business, service debt, or distribute to shareholders.
  - Determine continuing value – an estimation of the value of the business at the end of the projection period.
  - Discount FCFs and continuing value to the present using an appropriate weighted average cost of capital ("WACC").
  - Resulting value represents the enterprise value of the Company on a control basis. Projections reflect a cost structure that could be established and monetized by a control buyer.
  - Determine equity value by subtracting funded forms of non-equity capital, such as debt, adding non-operating assets, and making other appropriate adjustments to consider other non-operating items, such as contingent liabilities.

IV. *Valuation Analysis*

Primary Valuation Methodologies (continued)

- Comparable Company Analysis
  - Assess the attractiveness of the Company as an investment relative to a group of similar, publicly traded companies.
  - Analyze publicly traded companies deemed comparable, in whole or in part, to the Company.
  - Compare size, growth, profitability margins, volatility, and business mix of the Company to the selected comparable companies.
  - Determine an appropriate range of valuation ratios for the Company based on our qualitative and quantitative assessment of the Company and the public companies.
  - Valuation multiples derived from publicly traded stocks are used in the comparable company analysis and reflect a marketable minority interest value. The multiples used in our analysis include an enterprise value multiple of the last 12 months' revenues, gross profit, and projected EBITDA.
  - An enterprise value multiple for the latest 12 months' gross profit was included. Inacom reported historical EBITDA on an aggregate basis for its two business lines – products and services. Inacom's historical financial statements do not provide historical EBITDA for its service business alone, which was the remaining business after the sale of certain assets of its product customization and logistics operations to Compaq Computer Corporation on February 15, 2000. The company did, however, report historical gross margins for its service and product businesses.

IV. *Valuation Analysis*

Primary Valuation Methodologies (continued)

❖ Comparable Transactions Analysis

- Assess the attractiveness of the Company as an investment relative to recent acquisitions of similar companies.
- Compare size, growth, profitability margins, volatility, and business mix of the Company to the acquired companies.
- Determine an appropriate range of valuation ratios for the Company based on our qualitative and quantitative assessment of the Company and the acquired companies.
- Valuation multiples derived from M&A transactions reflect a control value.

IV. Valuation Analysis

Discounted Cash Flow Analysis

- To estimate the value of the Company, we conducted a 10-year DCF analysis based on the Company's historical performance and revenue projections for 2000 through 2003, which were extrapolated to 2009.

- While Inacom reported historical gross margins for its service and product line businesses, it reported historical selling, general and administrative expenses on an aggregate basis. As a result, Inacom's financial statements do not provide a clear basis for projecting long-term EBITDA margins for its service business, which was the remaining business after the sale of certain assets of its product customization and logistics operations to Compaq Computer Corporation on February 15, 2000. In order to determine reasonable projections for long-term sustainable EBITDA margins, we analyzed historical gross margins for the service business, gross and EBITDA margins for the comparable companies, and gross and EBITDA margins for the projections provided by the Company. We determined gross margins of 33.1% in 2000 and 34.5% thereafter. We determined EBITDA margins of 1.2% in 2000, 9.0% in 2001, 10.2% in 2002, and 11.3% thereafter. We believe the Company's projections were reasonable based upon, among other items, its detailed SG&A cost reduction program, and our comparable company analysis.

- Historically, Inacom reported its working capital and capital expenditures accounts in the aggregate for both its product and service businesses. Accordingly, after the sale of the product business to Compaq, our analysis required estimation of these accounts as they applied to the remaining service business. Assumptions regarding working capital requirements and capital expenditures were based on reviewing financial information from our group of comparable companies and the Risk Management Association of Lending and Credit Risk Professionals "Annual Statement Studies for 1999-2000" for companies with SIC 7371 and SIC 8383 that have sales greater than $25 million, as well as the Company's projections.

IV. *Valuation Analysis*

Discounted Cash Flow Analysis (continued)

- In the final year of the projections, we assume that the Company will continue to grow after-tax operating profit at a constant rate of 3%. The 3% was used beginning in the seventh year of the projections (2006). In addition, the new investment required to produce this growth is projected to earn a constant rate of return. These assumptions, combined with the discount rate assumption described below, produce a mathematical formula that estimates the "terminal value" of a company at the end of the projection period. This terminal value is equivalent to the present value of all cash flows after the projection period. This approach is conservative since the terminal value calculated in the DCF using the method just described results in an approximate value determined by using an EBITDA terminal multiple of 4x; this is significantly below the median and mean LTM EBITDA multiples of the comparable company group.

- Based on the yields available on financial instruments at the Valuation Date, the risk level of equity investments in general, and the specific operating risks associated with Inacom, it is our opinion that the appropriate weighted average cost of capital to use for the projected cash flows of Inacom was 14.5%. This weighted average cost of capital estimate assumes a debt-to-total-capitalization ratio of 15%, a cost of equity of approximately 16%, and an after-tax cost of debt capital of approximately 5%.

  - In estimating the cost of equity, we employed the capital asset pricing model (CAPM), with a further risk premium added to the cost of equity indicated by CAPM. In estimating the Company's cost of equity, we considered market data concerning the companies used in the comparable company analysis.

IV. Valuation Analysis

Discounted Cash Flow Analysis (continued)

- In estimating the cost of debt, we assumed a debt-to-total-capitalization ratio of 15%, which was based on a review of the capital structures of the companies selected in our comparable company analysis and three industry categories (Computer Integrated Systems Design – SIC 7373; Computer Programming Services – SIC 7371; and Computer Programming, Data Processing, and Other Computer Services – SIC 737) from the "Cost of Capital 2000 Yearbook", published by Ibbotson Associates. A description of each of these companies is contained in Appendix D.

❖ Details of the the discounted cash flow analyses are shown in Appendix B.

IV. Valuation Analysis

Discounted Cash Flow Analysis: Enterprise Value Conclusions

Inacom Corp
Discounted Cash Flow Analysis
($ in millions)

		P2000[1]	P2001	P2002	P2003	P2004	P2005	P2009	CAGR[2]
Revenue		$663	$1,089	$1,198	$1,318	$1,417	$1,487	$1,674	
Growth		NA	NA	10.0%	10.0%	7.5%	5.0%	3.0%	12.3%
EBITDA		8	98	122	149	160	168	189	
EBITDA Margin		1.2%	9.0%	10.2%	11.3%	11.3%	11.3%	11.3%	8.6%
Earnings Before Interest and Taxes		($13)	$68	$88	$111	$123	$128	$141	
Taxes	40.0%	0	27	35	45	49	51	57	
Net Operating Profit After Tax		(13)	41	53	67	74	77	85	
Plus: Depreciation		21	30	34	38	37	40	48	
Less: Capital Expenditures		14	27	35	40	42	45	51	
Less: Increase (Decrease) in Working Capital		(168)	15	0	0	3	2	1	
Free Cash Flow		162	29	52	64	66	70	80	
Weighted Average Cost of Capital		15.5%	14.5%	13.5%					
Enterprise Value		**$485**	**$528**	**$580**					
LTM Revenues[3]		816	816	816					
Implied Revenue Multiple		0.59x	0.65x	0.71x					

[1] *Projected results for the period of April 23, 2000, to December 31, 2000.*

[2] *EBITDA CAGR based on eight-year growth from 2001 to 2009.*

[3] *LTM Revenues consist of service revenues for Inacom for the the fiscal year 1999. Amount based on unaudited financial statements for the 12-month period of January 1, 1999, to December 31, 1999.*

- The discounted cash flow analysis indicates an enterprise value range of $485 million to $580 million.

IV. Valuation Analysis

Comparable Company Analysis

- Comparable company analysis assesses the attractiveness of the subject company as an investment relative to a group of similar, publicly traded companies, and compares valuation ratios to the subject company based on this assessment and an analysis of the valuation ratios of the comparable group. Our qualitative and quantitative assessment of the subject company and the comparable group includes historical financial performance, expected future performance, and other investment considerations such as size and specific business risks.
- While it is very rare to find a public company that is exactly similar to the subject company, valuation practitioners can usually select a group, or several groups, of public companies that share similar business risks and opportunities. In fact, if two companies in two different industries have the same expected growth in earnings and the same risk profile, their valuation ratios may be very similar. Moreover, including companies that are not exactly similar to the subject company often highlights investment considerations that are manifested in the public market valuations.
- We identified eight public companies that are reasonably similar to Inacom Corp. in terms of business and markets.
- All of the comparable companies provide IT services, with limited sale of products. However, many of the comparables are larger (in terms of revenues) than Inacom.
- Details of the comparable company analysis are presented in Appendix C and Appendix D.

IV. Valuation Analysis

Comparable Company Analysis: Financial Performance

INACOM CORP.
COMPARABLE COMPANY ANALYSIS
April 22, 2000

	Growth Rates					Margin Analysis			
Company (Ticker)	LTM Revenues	3-yr. CAGR Revenues	LTM EBITDA	3-yr. CAGR EBITDA	Long-term Proj. EPS	LTM Gross	3-yr. Avg. Gross	LTM EBITDA	3-yr. Avg. EBITDA
NCR Corporation (NCR)	-4.8%	-3.8%	8.7%	-0.5%	18.3%	36.2%	35.2%	9.1%	7.5%
Unisys Corporation (UIS)	-0.4	5.8	-2.2	26.7	17.9	36.6	37.0	14.0	13.5
CIBER, Inc. (CBR)	6.6	34.5	-7.4	69.4	19.5	36.3	34.4	13.0	13.2
Computer Horizons Corp. (CHRZ)	3.8	26.9	-46.7	22.4	21.9	32.7	34.6	8.2	12.3
Computer Task Group Inc. (CTG)	0.9	8.9	-6.8	16.9	14.0	34.0	32.2	8.9	9.0
Keane Inc. (KEA)	-3.3	27.2	-18.9	44.0	21.1	34.6	35.3	15.5	16.4
Perot Systems Corp. (PER)	14.8	23.9	9.2	25.4	24.0	25.9	25.6	11.0	10.7
Computer Sciences Corp. (CSC)	16.0	17.3	21.3	19.7	17.7	21.2	21.8	12.7	12.9
Highest	16.0%	34.5%	21.3%	69.4%	24.0%	36.6%	37.0%	15.5%	16.4%
Lowest	-4.8%	-3.8%	-46.7%	-0.5%	14.0%	21.2%	21.8%	8.2%	7.5%
Mean	4.2%	17.6%	-5.4%	28.0%	19.3%	32.2%	32.0%	11.5%	11.9%
Median	2.4%	20.6%	-4.5%	23.9%	18.9%	34.3%	34.5%	11.9%	12.6%

Source: Audited financial statements of each company.

IV. Valuation Analysis

Comparable Company Analysis: Valuation Multiples

INACOM CORP.
Comparable Company Analysis
April 22, 2000

Company (Ticker)	Enterprise Value (in millions)	LTM Revenues (in millions)	Enterprise Value as a Multiple of: LTM EBITDA	LTM Gross Profit	Projected EBITDA	LTM EBIT	Projected EBIT	LTM Revenues
NCR Corporation (NCR)	$3,759	$6,196	5.6x	1.4x	4.7x	15.4x	10.1x	0.50x
Unisys Corporation (UIS)	7,392	7,391	7.6	2.9	6.6	8.9	7.6	1.07
CIBER, Inc. (CBR)	1,070	362	21.7	4.0	9.7	28.4	10.9	2.82
Computer Horizons Corp. (CHRZ)	402	535	9.4	2.3	13.9	10.7	17.1	0.76
Computer Task Group Inc. (CTG)	164	472	4.5	1.2	8.5	5.7	13.9	0.40
Keane Inc. (KEA)	1,530	1,041	8.7	3.9	14.9	10.8	22.5	1.34
Perot Systems Corp. (PER)	1,553	1,141	12.5	5.3	13.6	16.0	17.9	1.38
Computer Sciences Corp. (CSC)	13,533	6,795	17.2	7.9	11.8	31.7	17.1	2.18
Highest	$13,533	$7,391	21.7x	7.9x	14.9x	31.7x	22.5x	2.82x
Lowest	$164	$362	4.5x	1.2x	4.7x	5.7x	7.6x	0.40x
Mean	$3,675	$2,992	10.9x	3.6x	10.5x	15.9x	14.6x	1.31x
Median	$1,542	$1,091	9.0x	3.4x	10.7x	13.1x	15.5x	1.20x

Source: Audited financial statements of each company.

IV. Valuation Analysis

Comparable Company Analysis: Control Premium

- Because the implied comparable company multiples are based on a minority interest, we took into consideration a control premium in determining our selected multiple ranges.
- A "control premium", which is the inverse of a lack of control discount, results when the equity interests of a public company are acquired by a single investor at a price greater than the previous trading value. The acquirer is willing to pay more on a per-share basis for 100% of the company's stock than the previous trading price, which was established by transactions between minority investors, since such acquirer (unlike the minority investors) will have control of the various factors affecting the risk of and return on his or her investment.
- Two factors drive the size of the observed control premium: (1) the value of control and (2) the value of potential synergies between the target's and the acquirer's businesses. Therefore, the value of control is best measured in transactions that involve financial buyers, or, in other words, buyers who are making the acquisition of the target strictly for investment purposes and who do not expect to realize value from potential synergies.
- Mergerstat LP conducts an annual study that analyzes control premia by industry group and provides detailed information on each transaction. Each premium paid for control implies a related discount for lack of control. During 1999 there were 82 transactions with meaningful control premiums in the Computer Software, Supplies, and Service industry. The control premium for these 82 transactions was 57.6%.

Source: MergerStat LP, "MergerStat Review – 2004"

IV. Valuation Analysis

Comparable Company Analysis: Normalized EBITDA Calculation

- In order to obtain projected EBITDA for the next 12 months (April 23, 2000 to April 22, 2001) we calculated normalized EBITDA.

- Revenues were calculated using three different methods described below. A 9.0% EBITDA margin was applied to calculate normalized EBITDA using the revenues in each of the three methods. The median of the three methods was used as normalized EBITDA. The 9.0% EBITDA margin was determined based on a review of the Company's projections in 2001 and 2002. According to these projections, EBITDA margin was projected at 9.0% in 2001 and at 10.2% in 2002. In addition, we reviewed the Company's historical gross margins and detailed SG&A reduction program as well as the EBITDA margins for the comparable companies and industry. Based on these reviews, we found the Company's projections to be reasonable.

  - In the first method, the revenue calculation was set equal to the Company's fiscal year 1999 revenues for the service business, as reported in the Company's unaudited financial statements provided by the Company.

  - In the second method, the revenue calculation was set equal to the Company's projected next 12 months' revenues. To determine the revenues for the next 12 months', a daily amount of revenues for each projected quarter in 2000 and 2001, as provided by the Company, was calculated and multiplied by the number of days in each of the quarters for the period of April 23, 2000 to April 22, 2001.

  - In the third method, the revenue calculation was set equal to the sum of the Company's annualized revenues for the four week period ending April 22, 2000, as provided by the Company, and the contracted sales to Compaq in 2000 and 2001. It was assumed, based on the information provided, that the Company had not made any significant sales to Compaq prior to April 22, 2000. For contracted sales to Compaq in 2001, a daily rate was calculated and multiplied by the number of days from the period of January 1, 2001 to April 22, 2001.

  - The tables on the following slides set forth the results for the three methods.

Source: "Inacom Corp. and Subsidiaries – Condensed and Consolidated Statements of Operations – RESTATED," document: ICN 00870 and the 2000 Monthly Income Statement for April 2000, document: ICN 07582

IV. Valuation Analysis

Comparable Company Analysis: Normalized EBITDA Calculation

❖ The table below sets forth the calculated EBITDA for each of the three methods. Normalized EBITDA was determined to be the median.

Inacom Corp.
Projected Normalized EBITDA
($ in millions)

Method	Revenues	EBITDA Margin[1]	EBITDA
1 - Based on the Company's 1999 unaudited results	$816.0	9.00%	$73.4
2 - Based on the Company's Projections for the Next 12 Months (4/23/00 to 4/22/01)	986.8	9.00%	$88.8
3 - Based on the results for the four weeks ending April 22, 2000 + Compaq Contract	948.0	9.00%	$85.3
Mean	**$917**	**9.00%**	**$82.5**
Median	**$948**	**9.00%**	**$85.3**

IV. Valuation Analysis

Comparable Company Analysis: Normalized EBITDA Calculation

- The table below sets forth the revenue calculations used to arrive at EBITDA for the first method.

METHOD 1: Revenues based on the Company's 1999 Service Revenues ($ in millions)

1999 - Actual Revenue Results	$816.0 [1]

[1] Revenues obtained from the December 31, 1999, unaudited financial statements provided by the Company.

Source: "Inacom Corp. and Subsidiaries – Condensed and Consolidated Statements of Operations – RESTATED," document: ICN 00870

IV. Valuation Analysis

Comparable Company Analysis: Normalized EBITDA Calculation

❖ The table below sets forth the revenue calculations used to arrive at EBITDA for the second method.

METHOD 2: Revenues based on the Company's 2000 and 2001 Projections ($ in millions)

Projections - 2000	Revenue
Q1	$103.0
Q2	224.0
Q3	242.0
Q4	251.0
Total	$820.0

Projections - 2001[3]	Revenue
Q1	$259.2
Q2	267.7
Q3	276.4
Q4	285.4
Total	$1,088.7

Stub-Q2-00[1]	$169.8	
Q3 - 00	242.0	
Q4 - 00	251.0	
	662.8	(A)
Q1 - 01	259.2	
Stub-Q2-01[2]	64.7	
	323.9	(B)
Total	$986.8	(A)+(B)

[1] Revenue for the Stub Q2 - 00 calculated by determining the average revenue per day in the quarter, which is equal to $224 million divided by 91 days in the quarter and multiplying by the number of days from April 23 to June 30, 2000 (69 days).

[2] Revenue for the Stub Q2-01 period calculated by determining the average revenue per day in the quarter, which is equal to $276.4 million divided by 91 days in the quarter and multiplying this amount by the number of days from March 31, 2001 to April 23, 2001 (22 days).

[3] 2001 quarterly revenue projections determinined by calculating the implied quarterly growth rate from the Company's 4th quarter projections ($251 million) to the Company's 2001 full-year revenue projection ($1,089 million). The implied quarterly growth rate was calculated to be approximately 3.3% each quarter.

Source: Inacom Corp's projected financial statements, document: HL 00133; HL 00170; HL Document: 1251 PP: 1111+

IV. Valuation Analysis

Comparable Company Analysis: Normalized EBITDA Calculation

- The table below shows the revenue calculations used to arrive at EBITDA for the third method.

METHOD 3: Based on the Company's results for the 4-week period ending 4/22/00 + Compaq Contracted Sales
($ in millions)

Annualized Revenues [1]	$819
Plus: 2000 Compaq Sales[2]	85.0
Plus: 2001 Compaq Sales[3]	43.7
Total Sales	$948.0

Revenues for the 4-week period ending 4/22/00	$63.0
Contracted Sales to Compaq	
2000	$85.0
2001	$140.0

[1] Revenues for the four week period ending April 22, 2000 multiplied by 13 to get an annualized amount equal to $819.2 million.

[2] Contracted sales to Compaq in 2000 were equal to $85 million. A variety of documents reviewed indicate that, as of April 22, 2000, Compaq had not yet provided a significant amount of revenues pursuant to its contract with Inacom. Therefore, it is assumed in this analysis that Compaq would honor its contract from the period of 4/23/00 to 12/31/00.

[3] Contracted sales to Compaq in 2001 were equal to $140 million. Sales to Compaq for the period of January 1, 2001 to April 21, 2001 were calculated by calculating the average daily sales amount for 2001, which is equal to $140 million divided by 365 days, and multiplying this amount by the amount of days for the period of January 1, 2001 to April 21, 2001 (114 days).

Source: 2000 Monthly Income Statement for April 2000, document: ICN 07582; documents 00160 and 00161 (from Inacom 8-K dated March 2, 2000) and document 00753 (Services Supply and Sales Agreement dates as of February 2000 between Compaq Computer Corporation and Inacom Corp)

IV. *Valuation Analysis*

Comparable Company Analysis: Valuation Conclusion

Inacom Corp.
Comparable Company Analysis
as of April 22, 2000
($ in thousands)

	Guideline Company Multiples			Selected Multiple Range	Inacom Performance	Implied Enterprise Value	
	Range	Mean	Median			Range	Midpoint
Multiples Based on Enterprise Value:							
LTM Revenues [1]	0.40x - 2.82x	1.31x	1.20x	0.60x - 0.80x	$816,000	$489,600 - $652,800	571,200
LTM Gross Profit [2]	1.2x - 7.9x	3.6x	3.4x	2.3x - 2.8x	$256,224	$576,504 - $704,616	640,560
Projected EBITDA [3]	4.7x - 14.9x	10.5x	10.7x	6.5x - 7.5x	$85,316	$554,557 - $639,873	597,215
				Indicated Value Range:		**$550,000 - $650,000**	

[1] *Service revenues for Inacom for the the fiscal year 1999. Amount based on unaudited financial statements for the 12 month period of January 1, 1999 to December 31, 1999.*
[2] *Service gross profit for Inacom for the the fiscal year 1999. Amount based on unaudited financial statements for the 12 month period of January 1, 1999 to December 31, 1999.*
[3] *Projected EBITDA for Inacom based on normalized EBITDA Analysis.*

- The comparable public company analysis indicates an enterprise value range of $550 million to $650 million.

IV. Valuation Analysis

Comparable Transactions Analysis

- Comparable M&A transactions analysis assesses the attractiveness of the subject company as an acquisition relative to a group of similar companies that have recently been acquired, and compares valuation ratios to the subject company based on this assessment and an analysis of the valuation ratios of the M&A transactions.
- It is typically difficult to find a large number of M&A transactions involving companies that are sufficiently similar to the subject company in order to draw meaningful valuation conclusions.
- We identified 14 recent M&A transactions involving companies that were broadly similar to Inacom in terms of business and markets.
- Most of the comparable transactions involve companies that were not directly comparable to Inacom, primarily because the companies typically obtain 30% of their revenues from product (hardware and software) offerings and were significantly smaller than Inacom, in terms of revenue.
- The enterprise value indicated by the DCF analysis is supported by the M&A transactions analysis.
- Details of the comparable M&A transactions analysis are presented herein.

IV. Valuation Analysis

INFORMATION TECHNOLOGY, M&A ACTIVITY
($ in millions)

Date Announced	Acquirer Name	Target Name	Target Business Description	Enterprise Value	Target Revenue	Target EBITDA	EBITDA Margin	EV / Sales	EV / EBITDA
04/13/00	Analysts International Corp.	Panurgy Inc. (Sequia Net.com, Inc.)	Provides strategic e-business solutions	$54.3	$57.7	$4.8	8.3%	0.94x	11.3x
04/05/00	Peregrine Systems, Inc.	Harbinger Corp.	Provides computer programming services	$746.1	$155.5	$22.2	14.2%	NM	NM
03/16/00	CACI International, Inc.	Century Technologies, Inc.	Provides IT services in the areas of networking, e-commerce, geospatial technologies, and software engineering	$7.7	$23.7	$2.5	10.5%	0.32x	3.1x
03/02/00	Interliant, Inc.	Soft Link Inc.	Provides implementation and management support to PeopleSoft customers	$26.8	$32.4	$6.0	18.5%	0.83x	4.5x
03/02/00	Eclipsys Corp.	Shared Medical Systems Corp.	Supplies information solutions to health providers	$1,948.7	$1,179.4	$163.4	13.9%	1.65x	11.9x
03/01/00	Perot Systems Corp.	Solutions Consulting Inc.	Provides enterprise and e-commerce solutions and information technology	$114.0	$59.8	$7.7	13.0%	1.91x	14.7x
02/22/00	SBC Communications Inc.	Sterling Commerce Inc.	Provides e-commerce products, services and solutions worldwide	$3,458.1	$633.7	$244.4	38.6%	NM	14.2x
01/28/00	Leapnet Inc.	SPR Inc.	Provides information technology consulting and project based services	$51.1	$70.0	$24.5	35.0%	0.73x	2.1x
12/28/99	National Nephrology Associates	Renex Corp.	Develops, markets and supplies web emulation and host access software products	$61.5	$46.4	$6.0	12.9%	1.32x	10.3x
09/20/99	Computer Sciences Corp.	Nichols Research Corp.	Provides information processing, systems development and systems integration	$378.4	$454.6	$39.6	8.7%	0.83x	9.6x
06/30/99	Equant NV	TechForce Corp.	Provides network integration services	$70.0	$52.3	$4.6	8.8%	1.34x	15.1x
06/21/99	ADC Telecommunications, Inc.	Saville Systems PLC	Develops and customizes billing and customer care solutions and software for the telecommunications industry	$513.4	$121.2	$32.6	26.9%	NM	15.7x
02/08/99	Computer Associates International Inc.	Computer Management Sciences Inc.	Provides information technology consulting and custom software	$389.7	$85.5	$19.5	22.8%	NM	NM
12/04/98	Matador Capital Management (Private group of investors)	BRC Holdings, Inc.	Provides information management, management consulting and data processing services	$185.6	$121.4	$18.0	14.9%	1.53x	10.3x

[redacted]

Transactions: 14

Source: MergerStat LP via FactSet

IV. Valuation Analysis

Comparable Transactions Analysis: Valuation Conclusion

Inacom Corp.
Transaction Analysis
as of April 22, 2000
($ in thousands)

	Guideline M&A Transaction Multiples			Selected Multiple Range			Inacom Performance	Implied Enterprise Value			
	Range	Mean	Median					Range			Midpoint
Multiples Based on Enterprise Value											
LTM Revenues[1]	0.32x - 1.91x	1.14x	1.13x	0.70x	-	0.90x	$816,000	$571,200	-	$734,400	$652,800
EBITDA[2]	2.1x - 15.7x	10.3x	10.8x	7.0x	-	8.0x	$85,316	$597,215	-	$682,531	NA
							Indicated Value Range:	**$600,000**	-	**$700,000**	

[1] *Service revenues for Inacom for the the fiscal year 1999. Amount based on unaudited financial statements for the 12 month period of January 1, 1999 to December 31, 1999.*
[2] *EBITDA for Inacom based on normalized EBITDA analysis.*

- The transaction analysis indicates an enterprise value range of $600 million to $700 million.

IV. Valuation Analysis

Enterprise Value Conclusion

- Our enterprise value conclusion for the Company is $520 million to $620 million.

Inacom Corp.
Enterprise Value Conclusion
as of April 22, 2000
(in thousands)

Valuation Method	Indicated Enterprise Value of Inacom Corp.		
Discounted Cash Flow Method Range	$480,000	-	$580,000
Comparable Company Method Range	$550,000	-	$650,000
Transaction Analysis Method Range	$600,000	-	$700,000
Indicated Enterprise Value Range	**$520,000**	**-**	**$620,000**

- The three methods used indicate an enterprise value range of $520 million to $620 million. We have afforded greater weight to the discounted cash flow and comparable company methods.

IV. Valuation Analysis

Aggregate Equity Value

- Aggregate equity value represents value on a controlling interest basis.
- To arrive at aggregate equity value, we add excess cash and non-operating assets and subtract outstanding debt, including accrued interest.

Inacom Corp. Aggregate Equity Value as of April 22, 2000 ($ in thousands)			
	Low	Mid	High
Enterprise Value Conclusion	$520,000	$570,000	$620,000
Plus: Excess Cash	-	-	-
Plus: Non-operating Assets[1]	$120,000	$120,000	$120,000
Less: Outstanding Debt[2]	(440,046)	(440,046)	(440,046)
Aggregate Equity Value on a Marketable, Controlling Basis	199,954	249,954	299,954

- We have determined aggregate equity value to be approximately $250 million, the midpoint of the values set forth in the table above.

[1]Non-operating assets as of April 22, 2000 include value of receivabkes related to business sold to Compaq.

[2]Outstanding debt as of April 22, 2000 includes: bank debt: $110 million; convertible debt: $195 million; adjustments to convertible debt: $16 million; overpayment received: $42 million; and, misdirected payments: $77 million.

V. Benchmarking Analysis - Balance Sheet Review and Valuation

Overview

- In connection with our review/valuation of Inacom's April 22, 2000 balance sheet, we have:
  - Studied balance sheets and income statements for the period reviewed of specific comparable companies as well as the industry in which Inacom operates,
  - Apportioned Inacom's receivables between those related to the business sold to Compaq and Inacom's remaining service business;
  - Estimated the collectability of Inacom's receivables;
  - Studied the amounts carried by Inacom as Inventory and Property Plant and Equipment ("PPE");
  - Compared the Inventory and PPE carrying amounts to the comparables and industry data;
  - Reviewed Inventory reports on Inacom's Inventory as of the relevant period during 2000;
  - Compared the current liability accounts carrying amounts to the comparables and industry data;
  - Reviewed the March and April 2000 current liabilities and long term liabilities of Inacom and made certain adjustments and additions thereto;
  - Determined the implied fair value of the equity of Inacom at April 22, 2000, based upon our analyses of the fair value of Inacom; and
  - Determined the implied value of Inacom's intangibles as of April 22, 2000.
- The foregoing analyses provided the basis for our determination of Inacom's balance sheet as of April 22, 2000 on a fair market value basis, i.e., the fair value amount of each balance sheet account on Inacom's balance sheet as of April 22, 2000, based upon the data specific to Inacom available to us as well as comparable company and industry benchmarking analyses.

V. Benchmarking Analysis - Balance Sheet Review and Valuation

Accounts Receivable/Vendor Receivable Analysis

Accounts receivable, net of $324.9 million as shown on the April 22 Balance Sheet, which reflected a decline of $53.4 million from the balance on March 25, 2000, is divided into two segments: the balance related to the ongoing business of Inacom after the sale of the hardware business to Compaq; and the remaining amount related to the business sold to Compaq but excluded from the assets acquired by Compaq.

	Balance	% Collectable
A/R Related to Service Business:	$153.9 million est.	90%
A/R Related to Business purchased by Compaq:	$171.0 million est.	65%
	Total: $324.9 million	

The balances attributable to the two businesses were estimated based upon (i) the [Arthur Anderson] analysis commencing with FTI 001054, (ii) analysis of the balance sheet projections provided by the Company which show receivables declining to $130 million by December 31, 2000, by which date all receivables related to the business sold to Compaq would have been collected, (iii) the March 25, 2000, aging analysis commencing with INACOM 023476 and (iv) the June 16, 2000, Trade Accounts Receivable Balance disclosed in the Disclosure Statement of $200.1 million.

The percent collectable for the Service Business balance and the balance related to the business sold to Compaq was estimated based upon (i) the [Arthur Anderson] analysis commencing with FTI 001054, and (ii) the June 16, 2000, Trade Accounts Receivable Balance disclosed in the Disclosure Statement of $200.1 million, (iii) the March 25, 2000, aging analysis commencing with INACOM 023476, and (iv) the receivables quality analysis set forth in a Memo from Kevin Edwards of Compaq to Mike Baker per CPQ/BG 0002848.

The Vendor Receivables shown on the April 22 Balance Sheet of $17.1 million, which reflected a decline of $23.3 million from the March 25 balance of $40.4 million, was estimated to be 50% recoverable. The decline from March 25 appears to have been collected because we found no evidence of a write-down during the period. Also, the Vendor Receivables were previously reduced by 34% by a charge in the fourth quarter of 1999 per INACOM [040067]. Also, see the Kevin Edwards Memo referenced above.

Sources: ICN 00479, 00484, Company quarterly projections, Disclosure Statement, page 64, FTI 001054, INACOM 023476.

V. Benchmarking Analysis - Balance Sheet Review and Valuation

Accounts Receivable/Vendor Receivable Analysis (continued)

- The table below sets forth the balance sheet provided by the Company and the pro forma balance sheet (which includes our restatements previously described) for accounts receivable and vendor receivable as of April 22, 2000.

Changes in Working Capital (Accounts Receivable) ($ in millions)

	Per 4/22/00 Balance Sheet	% Collectible	Pro Forma Account Balance	Incr. / (Decr.)
Acounts Receivable Related to Service Business	$153.9	90% [1]	$138.5	($15.4)
Accounts Receivable Related to Business Sold to Compaq	$171.0	65% [1]	$111.2	(59.9)
Total Accounts Receivable	$324.9		$249.7	($75.2)
Vendor Receivable	$17.1	50%	$8.6	($8.6)

[1] We have apportioned the aggregate accounts receivable balance reflected in the April 22, 2000 balance sheet as previously described

Accounts Payable and Debt Analysis

Accounts payable of $229.4 million as shown on the April 22 Balance Sheet reflected a decline of $133.3 million from the $362.7 million balance on March 25, 2000. Other current liabilities of $237.6 million as shown on the April 22 Balance Sheet reflected an increase of $49.4 million from the $188.2 million March 25 balance. As the April 22 Balance Sheet appears to have been prepared on or about May 31, 2000 (see ICN 00484), it is assumed that the substantial part or all of the $77 million Compaq asserted it was owed as a result of certain "Misdirected Payments" as well as the $42 million overpayment made to Inacom at the closing on February 15, 2000, were included in current liabilities since Inacom management had acknowledged both the issues and the approximate amounts related to the Misdirected Payments and the overpayment at closing. It is noted that a small portion of the $77 million may have arisen after April 22, 2000. See DE 004411 contained in a presentation by Inacom to its banks on April 27, 2000.

As a result of the above analysis, Inacom's debt has been increased by $119 million at April 22 and its non-debt liabilities have been decreased by an equivalent amount.

In addition, Inacom's debt to the Trust which shows on the April 22 Balance Sheet at $195.4 million, may have been understated by $12.1 million. The principal claim shown on pages 21 and 100 of its Disclosure Statement appears to have been $207.5 million (see also T. Fitzpatrick Affidavit in Support of First Day Orders, p. 7). Finally, the interest payment due on April 1, 2000, of $3.5 million on the debt to the Trust was deferred pursuant to contractual right. Accordingly, consistent with our conservative approach, we have added the sum of $15.6 million to total debt at April 22. We chose not to offset this debt increase with a decrease to current liabilities; the deferred interest would have been a long term liability as would the additional debt to the Trust; it is unclear whether the deferred interest was included on the April 22, 2000, Balance Sheet.

V. Benchmarking Analysis - Balance Sheet Review and Valuation

Accounts Payable and Debt Analysis (continued)

- The table below sets forth the balance sheet provided by the Company and the pro forma balance sheet (which includes our restatements previously described) for accounts payable and debt as of April 22, 2000.

Changes in Working Capital (Account Payable and Debt) ($ in millions)

	Per 4/22/00 Balance Sheet	Restatement	Pro Forma Account Balance	Incr. / (Decr.)
A/P - Service Business	$110.4	$0.0	$110.4	$0.0
A/P - Involuntary Liabilities to Compaq	119.0	(119.0)	0.0	(119.0)
Total A/P	$229.4	($119.0)	$110.4	($119.0)

	Per 4/22/00 Balance Sheet	Restatement	Pro Forma Account Balance	Incr. / (Decr.)
Debt	$110.0	$0.0	$110.0	$0.0
Subordinated Debt	195.4	12.1	207.5	12.1
Accrued Interest on Debt	0.0	3.5	3.5	3.5
Involuntary Liabilities to Compaq	0.0	119.0	119.0	119.0
Total Debt	$305.4	$134.6	$440.0	$134.6

V. Benchmarking Analysis - Balance Sheet Review and Valuation

Fair Value Consolidated Balance Sheet as of April 22, 2000

- In this section of the analysis, we present the following three balance sheets:
  - Consolidated Balance Sheet as of April 22, 2000, provided by the Company with the following adjustment:
    - Apportion accounts receivable between Inacom's ongoing business and the business sold to Compaq.
  - Consolidated Balance Sheet as of April 22, 2000, provided by the Company with changes made to debt and stockholders' equity, including the following adjustments:
    - Reclassified certain amounts owing to Compaq from Accounts Payable to Debt;
    - Increased the amount of the 6¾% Debt; and
    - Reduced book equity.
  - Fair Market Value Balance Sheet as of April 22, 2000.